

# Charter Bank

October 29, 2014

Michael G. Goller, Esq.  
Reinhart Boerner Van Deuren s.c  
1000 North Water Street, Suite 1700  
Milwaukee, WI 53202

Dear Mr. Goller:

RE: Jed Hart

I am President of Charter Bank Eau Claire. Charter Bank is a longtime lender to J&L Corporation, the owner of the Pickle Bar.

In my capacity as a lender to various small businesses in the Eau Claire area, including a number of bars such as the Pickle Bar, Charter Bank occasionally relies on financial statement studies issued by the Risk Management Association (the RMA). This survey is used as a guide to determine what type of revenue expense and profit one would expect to see from a customer in that industry.

Because these analyses do not change significantly over the years, the bank does not purchase the survey every year. The most recent report we have is the 2005-2006 survey; however, I believe that the survey is fairly representative of subsequent years, up until the present date. We have found that the RMA survey provides a reasonably accurate estimate of bar's financial statistics.

Attached is a copy of the relevant pages from the RMA Study 2005-2008.

Sincerely,



Paul D. Kohler  
President & CEO  
NMLS# 528500  
[pkohler@charterbankec.com](mailto:pkohler@charterbankec.com)



**ANNUAL  
STATEMENT  
STUDIES**

**2005  
2006**

## Comparative Historical Data

## Current Data Sorted By Sales

6	5	1	Type of Statement	1	1	1	1	1	1
2	7	2	Unqualified	13	19	7	1	1	1
37	41	41	Reviewed	45	28	3	2	1	1
80	85	80	Compiled	15	20	6	5	1	1
44	38	49	Tax Returns						2
4/1/02-3/31/03	4/1/03-3/31/04	4/1/04-3/31/05	Other	17 (4/1-9/30/04)			156 (10/1/04-3/31/05)		
ALL	ALL	ALL	NUMBER OF STATEMENTS	0-1MM	1-3MM	3-5MM	5-10MM	10-25MM	25MM & OVER
169	176	173		73	68	16	8	3	5
%	%	%	ASSETS	%	%	%	%	%	%
16.0	13.1	14.2	Cash & Equivalents	14.8	13.7	12.6			
1.7	2.2	1.6	Trade Receivables (net)	9.9	2.0	3.6			
9.7	9.9	9.5	Inventory	10.0	10.2	9.9			
4.0	2.4	5.0	All Other Current	3.7	4.7	10.6			
31.4	27.6	30.2	Total Current	29.5	30.5	36.6			
48.4	50.5	50.0	Fixed Assets (net)	48.7	52.0	45.1			
9.6	10.2	10.6	Intangibles (net)	15.0	8.7	5.8			
10.6	11.7	9.2	All Other Non-Current	6.8	8.8	12.5			
100.0	100.0	100.0	Total	100.0	100.0	100.0			
			LIABILITIES						
6.3	7.9	6.3	Notes Payable-Short Term	5.6	7.2	9.9			
2.8	5.2	2.6	Cur. Mat.-L/T/D	2.7	2.6	1.2			
7.1	9.4	8.2	Trade Payables	5.3	12.0	7.5			
.4	.5	.1	Income Taxes Payable	.0	.2	.0			
14.3	14.2	19.9	All Other Current	25.4	19.2	9.2			
30.8	37.1	37.0	Total Current	38.9	41.2	27.7			
32.7	33.1	36.8	Long-Term Debt	42.9	34.6	27.1			
.0	.1	.0	Deferred Taxes	.0	.0	.0			
15.5	13.4	14.1	All Other Non-Current	16.9	8.7	21.8			
21.0	16.4	12.1	Net Worth	1.3	15.5	23.4			
100.0	100.0	100.0	Total Liabilities & Net Worth	100.0	100.0	100.0			
			INCOME DATA						
100.0	100.0	100.0	Net Sales	100.0	100.0	100.0			
58.7	58.2	59.2	Gross Profit	57.1	62.3	59.1			
53.9	55.9	55.5	Operating Expenses	55.1	57.7	54.5			
4.8	2.3	3.7	Operating Profit	2.0	4.5	4.6			
1.2	1.2	.7	All Other Expenses (net)	.8	.8	.8			
3.5	1.1	3.0	Profit Before Taxes	1.2	3.8	3.8			
			RATIOS						
3.5	2.5	3.1		3.9	2.7	3.0			
1.2	.9	1.0	Current	1.2	.8	1.1			
.5	.3	.4		.3	.4	.6			
1.8	1.5	1.8		2.2	1.5	1.0			
.6	.3	.4	Quick	.5	.3	.5			
.1	.1	.1		.0	.1	.2			
0	0	0	Sales/Receivables	0	0	0			
UND	UND	UND		UND	UND	UND			
0	0	0		0	0	1			
978.9	623.2	434.0		UND	325.9	62.3			
8	9	9	Cost of Sales/Inventory	9	10	9			
43.4	41.5	41.0		41.0	36.6	42.6			
18	16	16		21.4	23.2	29.8			
29	25	27		11.9	16.6	13.4			
12.6	14.5	13.4							
0	0	0	Cost of Sales/Payables	0	0	5			
UND	UND	UND		UND	UND	77.7			
8	14	8		UND	11	33.0			
43.7	26.1	47.4		UND	33.0	35.5			
31	33	30		16.2	11.7	12.1			
11.6	11.2	12.2							
15.6	23.4	14.6	Sales/Working Capital	11.5	21.1	17.8			
94.0	-279.0	262.4		79.9	-117.6	181.7			
-19.1	-12.2	-17.5		-14.2	-13.3	-47.3			
7.6	6.0	10.5	EBIT/Interest	5.8	18.2	30.6			
2.1	2.1	3.1		1.9	3.2	5.2			
.6	-9	.8		.1	.7	.8			
			Net Profit + Depr., Dep., Amort./Cur. Mat. L/T/D						
.5	.7	.8		.5	.9	.4			
2.2	3.2	2.4	Fixed/Worth	3.8	2.2	12.2			
-5.0	-3.2	-4.8		-2.0	-5.5	-6.2			
.5	.9	.7		.8	.8	.5			
3.1	4.0	2.9	Debt/Worth	4.0	2.8	16.8			
-8.2	-4.9	-8.2		-3.5	-8.7	-11.0			
67.4	82.6	85.3	% Profit Before Taxes/Tangible Net Worth	84.2	95.2	73.7			
(111)	(112)	(109)		24.3	32.9	57.8			
4.7	.3	7.0		-2.7	9.3	26.2			
28.8	20.3	26.3	% Profit Before Taxes/Total Assets	22.8	30.4	26.8			
-6.5	6.1	8.4		6.1	7.2	12.9			
-2.3	-5.7	-1.8		-4.2	.2	-2.1			
21.6	18.4	22.9	Sales/Net Fixed Assets	24.0	22.7	28.4			
7.3	7.4	7.2		7.5	7.9	6.9			
3.2	3.2	3.0		2.3	3.7	4.2			
4.9	5.7	5.6	Sales/Total Assets	5.1	7.6	5.1			
3.2	3.3	2.9		2.9	3.1	3.1			
2.0	1.9	1.8		1.5	2.0	2.3			
1.5	1.6	1.4	% Depr., Dep., Amort./Sales	1.5	.9	1.3			
(143)	(137)	(136)		2.9	2.1	3.5			
5.1	4.9	5.0		4.9	5.0	5.1			
2.6	2.8	3.3	% Officers', Directors', Owners' Comp/Sales	3.6	2.6				
(74)	(84)	(76)		6.7	4.1				
6.0	5.8	4.9		11.0	8.0				
10.5	10.0	8.7							
-805578M	1667462M	2329227M	Net Sales (\$)	37403M	118228M	55858M	58083M	52177M	2007478M
250562M	573966M	334005M	Total Assets (\$)	18116M	44799M	19317M	43048M	18980M	189745M